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SUBJECT: BN350 BILATERAL TALKS - TERMS OF REFERENCE

REF: A. STATE 1609

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11. (U) This is an Action Request: Chiefs of Mission (or highest appropriate official at post's discretion) are requested to approach the appropriate ranking host government official available, as soon as possible, to convey U.S. Terms of Reference for Joint U.S. - Kazakhstan Cooperation on BN-350 Spent Fuel Permanent Disposition during ongoing discussions about permanent disposition options for the BN-350 nuclear plant spent fuel. Given the recent changes in host government cabinet, post may wish to informally solicit names for the Kazakhstani members of the delegation before presenting the written version to the Government of Kazakhstan (GOK). Notional date and location for the meeting is January 24-25, 2006 in Astana, Kazakhstan.

12. (SBU) Purpose of the Terms of Reference: To establish a framework for bilateral U.S. - Kazakhstan discussions regarding the permanent disposition of the BN-350 spent fuel per the discussion on September 28, 2006 by U.S. Secretary of Energy

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Bodman and Kazakhstan President Nazarbayev.

13. (SBU) BEGIN DRAFT TEXT FOR TERMS OF REFERENCE.:

Terms of Reference for Joint U.S.-Kazakhstan Cooperation on BN-350 Spent Fuel Permanent Disposition

Permanent Disposition Framework: The Governments of the United States and Kazakhstan are to commission a bilateral Senior Policy Group on Permanent Disposition (SPG) to discuss and evaluate options for possible future bilateral cooperation for the permanent disposition of Kazakhstan's BN-350 spent nuclear fuel. The purpose of the SPG is to develop a joint recommendation for each country's respective government on such cooperation. To facilitate the discussion, the SPG is to establish a Technical Working Group (TWG) to explore the technical feasibility, costs and schedule associated with permanent disposition options. The SPG is to evaluate the potential frameworks under which permanent disposition could be implemented, as well as the consistency of disposition options with recent global fuel cycle initiatives, Kazakhstan's planned civilian nuclear power program, the international nuclear nonproliferation regime, and the Global Initiative to Combat Nuclear Terrorism.

Guidelines for Consideration of Options:

The Governments of the United States and Kazakhstan concur that the options to be explored by the TWG and evaluated by the SPG should accord with the following policy guidelines:

The Government of Kazakhstan has title to and ownership of the spent fuel, along with the associated benefits/assets and obligations/liabilities associated with ownership.

Consistent with prior commitments, the BN-350 spent nuclear fuel is to be transferred from Aktau to the Baikal-1 Cask Storage Facility. The TWG discussions are to focus solely on options for final, permanent disposition.

Permanent disposition should be achieved in a manner that meets all of the following objectives:

- minimize the proliferation risk associated with the material;
- maximize the safety and security of the material;
- minimize adverse impact on the environment; and
- recover any value of the spent fuel.

U.S. SPG Representatives:

William Tobey, Deputy Administrator, Office of Defense Nuclear Nonproliferation, National Nuclear Security Administration, U.S. Department of Energy (U.S. Chair)
Pamela Spratlen, Director of Central Asian Affairs, U.S. Department of State, Bureau of South and Central Asian Affairs
Kelly Cummins, Director, Office of FSU and Asian Threat Reduction, DOE
Eric Howden, DOE/NNSA BN-350 Spent Fuel Program Manager and U.S. Chair of the TWG on BN-350 Permanent Disposition
Dan Fenstermacher, Ph.D., Program Analyst, Department of State, Bureau of International Security and Nonproliferation, Office of Nuclear Energy, Safety and Security

Kazakhstan SPG Representatives from Ministry of Energy and Mineral Resources (MEMR) and Ministry of Foreign Affairs: (Names for Kazakhstan Chair and members of the delegation should be inserted in consultation with the GOK).

Technical Working Group (TWG) Structure:

The co-chairs for the TWG are, for the U.S side, Eric Howden from DOE/NNSA and for the Kazakhstan side, (GOK IS REQUESTED TO PROVIDE NAME OF TWG CO-CHAIR FOR KAZAKHSTAN). The co-chairs are directed by the SPG to assemble the technical team and to hold a TWG inaugural meeting in the January-February 2007 timeframe.

The TWG is to be added to the joint technical-level working group structure used to implement U.S.) Kazakhstan cooperation under the 1997 Implementing Arrangement on Long-term Storage of BN-350 Spent Fuel. The five other technical working groups within the program focus on: (1) cask design, fabrication and transport; (2) cask storage facility design, construction and operations; (3) physical protection; (4) safeguards; and (5) project management issues.

The joint TWG structure is a proven approach for the United States and Kazakhstan to cooperate successfully on the BN-350 Spent Fuel Program. This approach offers a mechanism to develop the necessary information for presentation to the respective governmental decision-makers in preparation for the proposed mid-2007 senior policy meeting.

Objectives of the TWG Inaugural Meeting: The TWG is to work under the guidelines outlined above as well as any additional policy guidance from the SPG. The objectives of the initial joint Working Group meeting are to be: (1) technical investigation of regional nuclear fuel cycle capabilities and discussions related to the international fuel cycle; (2) identification of the approach that meets the needs identified by the SPG; (3) identification of the specific scope of work; (4) personnel assignments to fulfill the identified scope of work; and (5) development of a TWG action plan. This action plan is to establish the objectives (per policy meeting directive), participants, roles, responsibilities, authorities and limitations within the TWG, communication guidelines, and points of contact.

Development of Options: The TWG is to issue a report to the

SPG by September 2007 that documents and evaluates the technical feasibility, costs, and schedule of permanent disposition options. The SPG is to meet in October 2007 to recommend one or more permanent disposition options to the Governments of the United States and Kazakhstan.

The following signatories representing the United States of America and the Republic of Kazakhstan concur on this Terms of Reference

William Tobey		Name of
Kazakhstani Co-Chair		
U.S. DOE/NNSA	Date	Kazakhstan MEMR
Date		

END DRAFT TEXT FOR TERMS OF REFERENCE.

14. (U) MINIMIZE CONSIDERED.
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